Edmonton Area Series Report No. 49

# EFFECTS OF UNEMPLOYMENT ON PSYCHOLOGICAL WELL-BEING

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Data Sources:

The 1983 Edmonton Area Study (EAS) administered and supported by the Population Research Laboratory and the Department of Sociology at the University of Alberta. Study Director and Principal Investigator - L.W. Kennedy.

Dimensions of Unemployment in Edmonton 1984. S.T.E.P. project funded by Alberta Manpower. Study director Dr. P. Krishnan.

June 1986

## ABSTRACT

The impact of unemployment on one's psychological well-being is examined in this paper. Survey data for Edmonton are analyzed. Results confirm previous findings that the psychological well-being of the unemployed is significantly lower than that of a socioeconomically comparable group. This study focuses on the interaction effects of unemployment. It is hypothesized that the experience of unemployment has different meaning to, hence different impact on, people of various socioeconomic characteristics. Sex, age, marital status, educational attainment and income are viewed as factors that may either mitigate or intensify the impact of unemployment.

Data suggest that the higher the socioeconomic status (measured by education and income), the more debilitating effect unemployment has. This supports the resources theories, as opposed to the aspiration theories, that those with a higher socioeconomic status are less affected because they are better equipped, financially and emotionally, to cope with stressful situations. No statistically significant differences are found in the psychological impact of unemployment by demographic characteristics. However, the impact appears to be stronger for females, older people and those in a family setting. The observation that females seem to be harder hit by the experience of unemployment than males is noteworthy. At the end of this paper, an analytic framework for the psychological impact of unemployment is proposed for future research.



Keywords: Unemployment, Psychological impact, Edmonton males and females, Canada.

## 1. INTRODUCTION

Canada's seasonally adjusted unemployment rates reached a record high, after the Great Depression, of 12.8 in December, 1982. Since then the unemployment rates have been fluctuating between 12 and 11 during 1983 and 1984. In April, 1985, it dropped to 10.3. Although recent statistics seem to suggest that a decline in unemployment rates is on its way,[1] several recent forecasts have predicted that high unemployment rates are to persist throughout the next decade.[2] One implication of this anticipated prolonged economic recession is that more and more Canadians will be experiencing unemployment at various stages in their life cycles. As unemployment becomes more widespread, people of a wider range of socioeconomic and demographic characteristics will be affected by unemployment. Research has indicated that for the first time, unemployment in Canada is seriously penetrating certain white-collar occupations, although it is still predominantly associated with blue-collar work (Deaton, 1983). It has also been noted that female and youth unemployment are on the increase (Krishnan and Ng, 1984).

The experience of unemployment frequently entails a psychological torment for the unemployed individuals. Some researchers have demonstrated that even the fear of jobloss could be stressful (Kasl et al., 1975; Dooley and Catalano, 1980). Family members and other reference groups of the unemployed were also shown to have experienced greater stress (Brenner, 1973; Mckenzie, 1978). Hence, in a broad sense, almost everyone will be affected directly or indirectly during a period of high unemployment. If unemployment continues to remain high through the next decade, the damages it may do to the psychological well-being of Canadians can be rather substantial. To be able to cope positively with the psychological impact of unemployment, a thorough understanding of the dimensions of the problem is called for. Research on this issue will not only contribute to our knowledge on human behavior but provide guidance for policy making.

A wide range of social consequences of unemployment, including the psychological impact, have been documented.[3] Most of these studies, however, was conducted in the United States and Britain. Studies in the Canadian context are scarce. The importance of understanding the social consequences of unemployment in terms of cultural background has been rightly pointed out by Oeser (1937). The danger of a direct transcription of knowledge gained in other countries which differ from Canada in social norms, economic policies and social welfare systems was demonstrated by the contrary evidence observed in Canada reported by Adam (1981). Studies in the Canadian context are badly needed to provide an adequate basis for policy making.

There is ample evidence that the experience of unemployment exerts a negative impact on one's psychological well-being. This psychological impact, however, has frequently been assumed to be uniform for all individuals. Eisenberg and Lazarsfeld (1938) point out that one's attitude towards unemployment is partly a result of one's past history and development. Due to predisposing factors such as sex, age and socioeconomic status, individuals are likely to react differently to the experience of jobloss. Empirical research pursuing this point, however, is rather limited. In this study we attempt to operationalize the proposition that the experience of unemployment has different meaning to, hence different impact on, people of various socioeconomic characteristics. The focus of this study will be in examining how, if at all, the psychological impact of unemployment varies with one's demographic and socioeconomic characteristics; namely, the interaction effects of unemployment.

The purpose of this paper is two-fold: 1) to provide empirical evidence on the social impact of unemployment in a Canadian context, and 2) to explore the interaction effects of unemployment on one's psychological well-being.

Recession in Edmonton, an area of economic significance in western Canada, is studied. The City of Edmonton has had one of the highest unemployment rates among the major cities in Canada since 1982 (15.2 as of May, 1985). The unemployment rates in Edmonton, however, were not always this high. During the boom time in the 1970s, the unemployment rates were as low as 3%-5%.[4] An earlier study on the social-psychological impact of unemployment in Edmonton was attempted by Krahn et al. (1984). As noted by the authors, the psychological shocks of unemployment may be especially acute for Edmontonians, when an economic transition from a boom to a bust in oil and construction industries is taking place in Edmonton. This economic recession has been partly reflected in a decreasing volume of net inter-provincial migration in Alberta in the past few years.[5] In this early study, it was shown that the psychological well-being of the unemployed was significantly lower than that of the full-time employed. The analysis of this study, however, was hampered by a small sample size of the unemployed individuals (39 cases). The present study looks at, in greater detail, the interaction effects of unemployment on one's psychological well-being with a larger sample size, and proposes a conceptual framework for future analysis. Due to limitations in the data, we only deal with the impact of unemployment on the unemployed individuals. The impact on other reference groups of the unemployed is beyond the scope of this study.

## 2. THEORETICAL BACKGROUND

It is widely documented that unemployment has a demoralizing effect (Eisenberg and Lazersfeld, 1938; Harris, 1984; Krahn, 1984). In an attempt to understand why unemployment is psychologically destructive, Jahoda (1979) identified five latent functions of work. Firstly, employment imposes a time structure which ties one to the "here and now" and prevents one from being swamped by the past or dreams of the future. Secondly, employment permits one

to share experiences and contacts with people outside the family. Thirdly, employment links an individual to goals and purposes which transcend his/her own. Fourthly, employment defines aspects of personal status and identity, and finally, employment enforces activity. In the absence of work, one loses an important link with the reality and the social network. Psychological symptoms such as depression, loneliness, fear and emotional instability are more frequently reported by the unemployed (Swinburn, 1981; Kessler and Cleary, 1980). Being unemployed is also shown to lead to a lower self-esteem. The jobless tend to put the blame on themselves and experience a sense of failure (Beckman, 1933; Tiffany, Cowan and Tiffany, 1970). A sense of powerlessness may also develop, especially when duration of unemployment prolongs. The unemployed may feel that the external forces are uncontrollable and view the outcomes as due to fate, chance and other powerful people. As this sentiment grows, goal-directed orientation begins to appear futile to the unemployed (Tiffany, Cowan and Tiffany, 1970).

A few writers have suggested that the psychological impact of unemployment varies with one's characteristics (Goodchilds and Smith, 1963). Hakim (1983) and Cohn (1978) maintained that the impact of unemployment varied with degree of attachment one had to gainful employment and the importance of occupation in one's personal identity which are largely determined by the societal expectations internalized in one's value system. For instance, since adults, especially males are expected to hold a job, gainful employment tends to be a more important component of self-concept for them than for females or adolescents. In this sense, the psychological impact of unemployment is sociologically determined.

## 2.1 Sex and Unemployment

If indeed the psychological impact of unemployment varies with one's attachment to one's job, the experience of unemployment is likely to be more distressing for men than for women. Research has shown that men tend to have a stronger committment to their jobs than women (Saleh and Lalljee, 1969). In western societies, males have traditionally been viewed as the primary providers. As a result of a differential socialization, females are more inclined to consider gainful employment as secondary or supplementary in nature (Bardwick, 1971). Societal expectations of employment status are such that men are likely to experience a more drastic impact of unemployment than women.

Another factor which may contribute to a differential impact of unemployment between men and women is the availability of the alternate roles which are able to provide equivalent sources of gratification to the jobless (Kohn, 1978). Such alternatives seem to be more readily available for women than for men. Unemployed females are likely to gain a sense of fulfillment and self-definition from the roles of mother and wife which have traditionally been their primary roles in the society (Bardwick, 1971, p. 59). Alternatives as such, however, are less available for unemployed males in the roles of father and husband. Given the fewer alternative channels of achievement and self-identity, males may be more strongly affected by unemployment.

## 2.2 Age and Unemployment

As one matures, society expects one to become more established. Employment is required for adulthood, especially for males. The social stigmas attached to unemployment are greater for the older than for the young. Since as one gets older, one's occupation frequently becomes a career as opposed to merely a job, the older people tend to have stronger attachment to their occupations. On the other hand, the young tend to be more mobile in the labor market. Losing a job

thus may be a greater psychological blow to the older people. Furthermore, for young people who are still living with their parents, the impact of unemployment would likely to be buffered by parental supports, both financially and emotionally. Daniel (1981, chap. 8) reported that the distress caused by unemployment was greatest among those aged 45–54 and was lowest among young people (under age 25) who were still getting settled into employment and those near retirement age (55+). Their findings point to a non-linear relationship between age and the psychological impact of unemployment.

### 2.3 Marital Status and Unemployment

The composition of one's immediate reference group may also influence one's reaction to unemployment. Komarovsky (1940) reported that the negative impact on self-esteem was intensified by the changed position of the unemployed in the family, from a primary breadwinner to a dependent. Having dependents may also intensify feelings of futility and powerlessness, since the unemployed parents may lose their authority on their children or spouses.

On the other hand, much research has shown that marriage (or a stable relationship) provides social support to an individual, supplying a cushion effect for the mental and health problems that occur in life (Verbrugge, 1979; Gove, 1972). If this is true, the psychological impact of unemployment will be mitigated by marriage. The relationship between marital status and the psychological impact of unemployment thus remains unclear.

### 2.4 Socioeconomic Status and Unemployment

Several studies have suggested that the impact of unemployment varies among people in different socioeconomic strata (Goodchilds and Smith, 1963; Jacobs, 1965; Bakke, 1940). Two schools of thoughts on this subject may be identified in the literature, namely, the resources theories and the aspiration theories.

The resources theories view the resources available for the unemployed to cope with the problems related to unemployment as the major factor in determining the psychological impact of unemployment. Since work not only provides one with an economic means of survival but also defines one's position, status and identity in the society, unemployment signifies a threat to one's economic security and social status (Eisenberg & Lazarsfeld, 1983). Tuner & Noh (1981) argued that those with a higher socioeconomic status would be less affected by unemployment because they were better equipped, financially and emotionally, to cope with the stressful situations. Kohn (1973) maintained that those in the lower socioeconomic strata were socialized into more narrow and rigid conceptions of reality which inhibited their ability to cope resourcefully with problematic situations. Swinburn and Daniel (1981) provided evidence that the lower the occupational status or social class of the unemployed male, the more distressing unemployment was. Goodchilds and Smith (1963) also demonstrated that the higher the status, the more debilitating the unemployment situation.

The aspiration theories stress that aspiration, as opposed to resources, of the unemployed is the major determinant of the psychological impact of unemployment. It is argued that a high socioeconomic status leads to a higher aspiration which, when frustrated, may intensify the shock effects of unemployment (Johoda, 1979). As Harrison (1976) puts it, the more ambitious are the harder hit. Goodchilds and Smith (1963) maintained that the different impact of unemployment depended on whether an individual perceived himself or the society as responsible for the unemployment situation. When one takes personal blame, the depression and a negative self-esteem tend to be aggravated. They found that those with higher socioeconomic status tended to take personal blame whereas those in lower social strata tended to put the blame

on the society. Henry and Short (1954), in their study on the relationship between suicide and business activity, concluded that people in higher positions reacted more violently to the fluctuations of business. Eisenberg and Lazarsfeld (1938) undermined the resources theories by arguing that people in lower social strata might be less affected since they were more accustomed to the stressful situations than individuals in higher social strata who were used to more comfortable lives.

The resources and the aspiration theories await empirical tests. On the one hand, the previous achievement of those with a higher social status may result in a broader social and financial support network which may alleviate the impact of unemployment. On the other hand, those in higher social strata tend to have a higher aspiration which may intensify the shock effects of unemployment. As Bakke commented, "...the higher the climb, the harder the fall" (1947).

3. Hypotheses

If sex, age, marital status, socioeconomic status are viewed as mediating factors which may either alleviate or intensify the impact of unemployment, several hypotheses may be derived.

1) The psychological impact of unemployment tends to be stronger for males than for females.

2) The psychological impact of unemployment tends to be stronger for the old than for the young.

Alternate hypotheses concerning marital status and socioeconomic status:

The psychological impact of unemployment tends to be stronger –

3a) – for those who do not live with a partner, if marriage (or a stable relationship) serves a buffering effect.

3b) – for those in a family setting, if marriage intensifies the psychological shocks.

4a) – for those with a lower socioeconomic status, if resources theories are correct.

4b) – for those with a higher socioeconomic status, if aspiration theories are correct.

## 4. DATA

The analysis is based on data from two surveys in Edmonton. In the summer of 1984, a survey was conducted on dimensions of unemployment in Edmonton.[6] Since no sampling frame for the unemployed was available, the sampling procedure was performed as follows. A random sample of the households in the city of Edmonton was drawn with the assistance of a telephone directory. In contacting these households, the unemployed individuals were selected for a telephone interview. On an average, an unemployed was obtained for an interview in thirteen contacts of households. As resources permit, sixty nine successful interviews were obtained in this survey.

To enhance the analytic power of the data, information from another survey was pooled. The second source of data is the 1983 Edmonton Area Survey (EAS) which was conducted by the Population Research Laboratory at the University of Alberta in February, 1983. Among a broad range of issues, the 1983 EAS had a special focus on the quality of working life. This survey was also based on a random sample of the households in Edmonton. Personal interviews were administered. Among the 420 respondents, 39 of them were unemployed and 228 were full-time employed during the survey period (these data were analyzed in the study by Krahn, et al., cited earlier).

Comparable measures of respondents' personal attributes and psychological well-being were used in these two surveys. Despite the differences in time frame and the interviewing methods employed in the two surveys, several factors justify combining the two data sets. Firstly, both surveys were based on a random sample of households in the city of Edmonton. Secondly, the time lag between the two surveys is small and the unemployment rates in Edmonton city in

the period between the two surveys were both relatively high (12.3 in February, 1983, and 14.9 in August, 1984). And finally, the major characteristics of the unemployed individuals in the two surveys were rather similar (see table 1).

Combining the two data sets yields a total of 108 unemployed and 228 full-time employed individuals. This new data set not only allows a comparison between the unemployed and the employed but permits a detailed examination on how unemployment affects various subgroups of the population, which could not have been accomplished by either data set alone. The advantages of combining the two data sets outweigh its drawbacks.

5. Measurement and Method

Table 2 presents the variables included in the analysis. Employment status is a dychotomized variable. Only the full-time employed and the unemployed were considered here. Other groups (e.g. part-time employed or housewives, etc.) are not included in the analysis due to an insufficient number of cases available in these categories to crossclassify with the socioeconomic correlates. Psychological well-being is measured by ten items of subjectively experienced psychological symptoms such as depression, self-esteem, and the sense of powerlessness. The demographic and the socioeconomic variables included in the analysis are age, sex, marital status, education and income.

To test the hypotheses developed earlier, dummy regression analyses are performed. Psychological well-being, measured by an index constructed with the 10 items in table 2 is the dependent variable. The independent variable is the employment status of the respondents, a dummy variable. All the demographic and socioeconomic correlates are dichotomized in the regression analysis in view of the small sample size and the manner in which these variables were measured (see table 5 for more information on the dichotomization). The simplicity of this categorization is unfortunate since, as discussed earlier, non-linear

TABLE 1: Major Characteristics of the Unemployed Individuals in the Two Surveys

| CHARACTERISTICS | 1983 EAS<br>Sample Size = 39 | 1984 Survey<br>Sample Size = 69 |
|---|---|---|
| AGE | (%) | (%) |
| Under 30 | 51.3 | 51.4 |
| 30-39 | 23.1 | 23.0 |
| 40-49 | 7.7 | 16.2 |
| 50 and above | 17.9 | 9.5 |
| MARITAL STATUS | | |
| Single | 38.5 | 36.5 |
| Married, Common law | 46.2 | 55.4 |
| Divorced, Separated & Widowed | 15.4 | 8.1 |
| EDUCATIONAL ATTAINMENT | | |
| Junior high & below | 23.1 | 11.0 |
| Senior high | 46.2 | 68.5 |
| Post-secondary and above | 30.8 | 20.5 |
| INDIVIDUAL INCOME | | |
| Under 20,000 | 41.0 | 61.5 |
| 20,000 - 29,999 | 25.6 | 13.8 |
| 30,000 - 44,999 | 7.7 | 15.4 |
| 45,000 and above | 25.6 | 9.2 |

TABLE 2. Variables Incorporated in the Analysis

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EMPLOYMENT STATUS:

1. Unemployed
2. Full-time employed

PSYCHOLOGICAL WELL-BEING

How often do you feel this way recently? @

1. bothered by things that usually don't bother me
2. felt depressed
3. felt lonely
4. felt fearful
5. felt happy
6. thought my life had been a failure
7. felt I was just as good as others

To what extent do you agree to the following statement? *

8. I have little control over my life
9. Future mostly depends on me
10. I am being pushed around in life

DEMOGRAPHIC CHARACTERISTICS

1. Sex
2. Age
3. Marital Status

SOCIOECONOMIC CHARACTERISTICS

1. Educational Level
2. Income Level

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@ Items 1-7 are measured on a 5-point scale: 1 - "ALWAYS" to 5 - "NEVER"

* Items 8-10 are measured on a 7-point scale: 1 - "STRONGLY DISAGREE" to 7 - "STRONGLY AGREE".

relationships may exist in some circumstances. Further research should rectify this by using a larger sample and continuous measures, if applicable.

Analysis is done for each subgroup of demographic and socioeconomic characteristic separately. Two sets of regression analysis are performed. In the first set, employment status is the only independent variable in the equations. In the second set, other socioeconomic variables are added to the equations as control variables. The zero-order and partial regression coefficients of employment status denote the total and the net effects of employment status respectively. To determine if any significant differences in the effects of employment status exist between the subgroups, the coefficients for the two sub-groups in consideration will be compared with the t-test strategy proposed by Pfoffler et. al., (1982). The regression models are as follows:

For each subgroup

$$(A)\ P_1 = a_1 + b_1\ Emp$$

The linear additive models:

For subgroups by sex:

$$(B1)\ P_2 = a_2 + b_2\ Emp + d_2\ Age + e_2\ Mar + f_2\ Edu + g_2\ Inc$$

For subgroups by age:

$$(B2)\ P_3 = a_3 + b_3\ Emp + c_3\ Sex + e_3\ Mar + f_3\ Edu + g_3\ Inc$$

For subgroups by marital status:

$$(B3)\ P_4 = a_4 + b_4\ Emp + c_4\ Age + d_4\ Sex + f_4\ Edu + g_4\ Inc$$

For subgroups by educational attainment:

$$(B4)\ P_5 = a_5 + b_5\ Emp + c_5\ Age + d_5\ sex + e_5\ Mar + g_5\ Inc$$

For subgroups by individual income:

$$(B5)\ P_6 = a_6 + b_6\ Emp + c_6\ Age + d_6\ Sex + e_6\ Mar + f_6\ Edu$$

(P: psychological well-being, Emp: employment status, Mar: marital status, Edu: education, Inc: income)

## 6. FINDINGS

### 6.1 Characteristics of the Unemployed

Table 3 provides information on the characteristics of the respondents. Data suggest that the demographic characteristics of the unemployed and the full-time employed are very similar, except that the unemployed are slightly younger thus have a greater proportion of single persons than the employed. Significant differences were observed in educational attainment, income and occupation. While more than half (65.4%) of the full-time employed had some post-secondary education or higher, the majority of the jobless had an education of high school or lower. As to financial situation, not surprisingly, the unemployed had a significantly lower annual individual and household income. In terms of occupational status, in contrast to a fairly even distribution among the employed, more than half of the unemployed were blue-collar workers (54.7%) and 16.1% of them had a white-collar occupation before being unemployed.

When the unemployed females were compared with the unemployed males it was seen that the demographic characteristics of these two groups were very similar. However, females had lower income than males. Furthermore, the majority of unemployed males (79.6%) were blue-collar workers (mostly in oil and construction industry), while more than half of the females (59.6%) were in clerical, service and sales occupations.

### 6.2 Psychological Well-being of the Unemployed

A comparison of the ten measures of psychological well-being between the unemployed and the full-time employed is presented in Table 4. The unemployed individuals in 1983 and 1984 surveys were first compared. No statistically significant difference was found between these two groups. However, the 1983 group appeared to be relatively better off than the 1984 group. This finding may reflect the different interviewing methods used in the two surveys or

TABLE 3: Percentage Distribution of Selected Socio-Economic Characteristics of Full-Time Employed and Unemployed in Edmonton, 1983-84.

| SOCIOECONOMIC CHARACTERISTICS | Full-time Employed | Unemployed (Sample Size = 108) | | |
|---|---|---|---|---|
| | (Sample Size = 228) | Total | Male | Female |
| SEX | | | | |
| male | 66.7 | 56.5 | -- | -- |
| female | 33.3 | 43.5 | -- | -- |
| AGE | | | | |
| under 30 | 40.4 | 50.9 | 48.3 | 54.3 |
| 30 - 39 | 29.8 | 23.6 | 21.7 | 26.1 |
| 40 - 49 | 15.8 | 12.3 | 11.7 | 13.0 |
| 50 and above | 14.0 | 13.2 | 18.3 | 6.5 |
| MARITAL STATUS | | | | |
| single | 31.6 | 37.3 | 40.0 | 34.8 |
| married/common-law | 53.1 | 52.8 | 55.0 | 50.0 |
| others | 15.4 | 9.4 | 5.0 | 15.2 |
| EDUCATION | | | | |
| junior high and below | 4.8 | 14.3 | 16.7 | 11.1 |
| senior high | 29.8 | 61.0 | 61.7 | 60.0 |
| post-secondary and higher | 65.4 | 24.8 | 21.7 | 28.9 |
| INDIVIDUAL INCOME | | | | |
| under 20,000 | 32.0 | 84.0 | 73.2 | 97.8 |
| 20,000 - 29,999 | 32.9 | 5.7 | 10.0 | 0.0 |
| 30,000 - 44,999 | 26.0 | 3.8 | 5.0 | 2.2 |
| 45,000 and above | 9.1 | 6.7 | 11.7 | 0.0 |
| HOUSEHOLD INCOME | | | | |
| Under 20,000 | 17.7 | 54.1 | 48.3 | 62.5 |
| 20,000 - 29,999 | 21.8 | 19.4 | 22.4 | 15.0 |
| 30,000 - 44,999 | 26.4 | 11.2 | 8.6 | 15.0 |
| 45,000 and above | 9.1 | 15.3 | 20.7 | 7.5 |
| OCCUPATION | | | | |
| managerial/professional | 38.7 | 16.1 | 15.3 | 17.0 |
| clerical/service/sales | 34.2 | 29.2 | 5.1 | 59.6 |
| others (largely blue collar) | 27.1 | 54.7 | 79.6 | 23.4 |

TABLE 4. A Comparison of the Psychological Well-Being Between the Full-Time Employed and the Unemployed

| Measures of Psychological Well-being | Unemployed | | | Full-time Employed (N=228) mean scores | Employed and Unemployed Statistical Difference |
|---|---|---|---|---|---|
| | 1983 (N=39) | 1984 (N=69) | Total (N=108) | | |
| | mean scores | | | | |
| 1. bothered by things that usually don't bother me | 3.44 | 3.09 | 3.22 | 3.67 | *** |
| 2. felt depressed | 3.33 | 3.22 | 3.26 | 3.69 | *** |
| 3. felt lonely | 3.41 | 3.61 | 3.53 | 3.83 | * |
| 4. felt fearful | 3.97 | 3.62 | 3.75 | 4.12 | *** |
| 5. felt happy | 2.10 | 2.42 | 2.31 | 1.96 | *** |
| 6. thought my life had been a failure | 3.95 | 4.18 | 4.10 | 4.49 | *** |
| 7. felt I was just as good as others | 1.64 | 1.94 | 1.83 | 1.67 | |
| 8. I have little control over my life | 2.92 | 3.68 | 3.40 | 2.42 | *** |
| 9. Future mostly depends on me | 5.31 | 5.35 | 5.33 | 6.03 | *** |
| 10. I am being pushed around in life | 3.13 | 3.28 | 3.17 | 2.52 | *** |

***: significant at .001 level
**: significant at .01 level
*: significant at .05 level

suggest a gradually intensified impact of unemployment, as recession lengthened and the unemployment rate elevated in 1984. Methodologically, this finding provides us with some reassurance with respect to merging the two sample surveys.

When the unemployed were compared with the full-time employed, results provided the basic evidence that the unemployed had a poorer psychological well-being. They were significantly more depressed, fearful, lonely and emotionally unstable (item 1-5). They also exhibited a more negative self-concept (i.e. more frequently felt their lives had been a failure). Moreover, the unemployed expressed a stronger sense of powerlessness (experienced less control over the future and more likely to feel being pushed around in life).

Table 5 presents the results of the regression analysis. For analysis purposes, an index of psychological well-being was constructed by taking the average scores on the ten items in table 4.[7] The zero-order regression coefficients (in equations A) informed us that employment status was a significant predictor of one's psychological well-being for most groups, except for those with higher education and income. When these coefficients were compared between the subgroups, no significant difference was found between males and females; and between those under and above the age of 30. However, the impact of unemployment was significantly greater for the married/common-law than for the single persons, suggesting that a stable relationship seemed to have intensified the psychological impact of unemployment. As to the socioeconomic status, results supported the resources theories that those with lower educational attainment and income, lacking in social and financial support network, were harder hit by unemployment.

TABLE 5: A Comparison of the Impact of Unemployment on Psychological Well-Being Between Sub-Groups

| SUB-GROUPS IN POPULATION | Sample Size | Zero-order Correlation Coefficients (A) | | Partial Correlation Coefficients (B) | |
|---|---|---|---|---|---|
| SEX | | | | | |
| 1 female | 118 | -.464* | | -.433* | (B1) |
| 2 male | 206 | -.384* | | -.249* | |
| AGE | | | | | |
| 1 under 30 | 140 | -.345* | | -.222* | (B2) |
| 2 30 and above | 180 | -.438* | | -.357* | |
| MARITAL STATUS | | | | | |
| 1 single | 107 | -.250* | ## | -.183 | (B3) |
| 2 married/ common-law | 169 | -.478* | | -.383* | |
| EDUCATION | | | | | |
| 1 High School - | 149 | -.437* | # | -.408* | (B4) # |
| 2 Post-secondary and above | 170 | -.193 | | -.111 | |
| INDIVIDUAL INCOME | | | | | |
| 1 under $20,000 | 147 | -.423* | # | -.433* | (B5) ## |
| 2 $20,000 and above | 164 | -.113 | | -.055 | |

Dependent Variable - Index of Psychological well-being (1-very poor, 2-poor, 3-fair, 4-good, 5-very good).

Dummy Independent Variable - Employment Status (Full-time employed = 0, Unemployed = 1).

Formula applied for significance test of regression coefficients:

$$B_1 - B_2 \;/\; \sqrt{SE_{B_1}^2 + SE_{B_2}^2}$$ (adopted from Pfoffler, et. al., 1982)

*: regression coefficient is significant at .05 level
##: regression coefficients are different at .01 level
#: regression coefficients are different at .05 level

When the socioeconomic correlates were added to equations $B_1$-$B_5$ as control variables, relatively identical patterns were observed. However, the significant difference between the married/common-law and the single persons disappeared whereas the significant differences by education and income persisted. This suggests that it is not the marital status, per se, but the heavier economic burdens of the family members that create a seemingly stronger impact on the married people. Despite an absence of a statistically significant difference by the demographic characteristics, judging from the magnitude of the slopes (regression coefficients) and the levels of significance, it appeared that females and those aged 30 and above were more vulnerable to the experience of unemployment than their counterparts.

## 7. DISCUSSION AND CONCLUSION

We have presented here an analysis of the psychological impact of unemployment in the city of Edmonton. The results lend some evidence to the interaction effects of unemployment. The observation that resources theories, as opposed to aspiration theories, are supported is especially interesting.

The most surprising finding is the absence of a differential impact of unemployment between males and females. This finding however becomes more apprehensible when a few factors are taken into account. Firstly, failure to find the expected difference may be a reflection of a measurement problem. As mentioned, the psychological well-being is measured on several self-evaluating scales in this study. Since males are socialized not to express their emotions publicly, we run the risk of an underreporting of the psychological impact of unemployment by the male respondents. For future research, this problem can, to some extent, be avoided by using behavioral measures instead of attitudinal measures as used in this study.

Apart from the methodological considerations, this finding may well suggest that gainful employment is becoming an important part of women's lives, as an increasing number of females participate in the labor force. As female employment becomes more socially acceptable and desirable, the meaning and value of work to men and women may be converging. In the Canadian Work Ethic Study (1975), a great similarity in attitudes toward work was found between males and females in the labor force. It was suggested that the importance of work in our lives went well beyond economic survival, or the provision of discretionary income for both men and women. The authors concluded that "in a general sense, it appears that, for most women in paid employment, work is as important in their lives as it is to men". (p. 61)

A few other factors discovered in a detailed examination on other characteristics of the unemployed interviewed in the 1984 survey may also help to shed some light on the observation that females appeared to be harder hit than males (comparable data were not available in the 1983 survey). Table 6 summarizes these factors. It was found that females had, on an average, a longer duration of unemployment than males. Furthermore, the unemployed males appeared to be more optimistic about their chances of reentering the labor market than the unemployed females. When the respondents were asked what they thought the chances were that they would find a job within the next two months, 19.2% of the male, as compared to 5.9% of the female thought the chances were very good, and 19.2% of the male as opposed to 35.3% of the female felt the chances were poor or very poor. It was also found that the unemployed females, on an average, received a significantly lower amount of unemployment compensation.

In brief, a possibly changing attitude to work experienced by the female, a longer duration of unemployment (and/or the anticipation of it) and the

TABLE 6: Selected Characteristics for Male and Female Unemployed in the 1984 Survey

| Characteristics | Male | | Female |
|---|---|---|---|
| Duration of Unemployment (in week) | 44.62 | * | 60.02 |
| Perceived chances of re-entering the labor market in the next 2 weeks: | | | |
| very good | 19.2% | | 5.9% |
| good | 23.1% | | 26.5% |
| fair | 38.5% | | 32.4% |
| poor | 3.8% | | 11.8% |
| very poor | 15.4% | | 23.5% |
| Weekly Unemployment Compensation | $200.78 | * | $120.13 |

* : significant at 0.05 level when age and marital status are held constant.

economic constraints on female's part appear to be plausible explanations for a seemingly stronger impact of unemployment on females.

## 8. LIMITATIONS AND FUTURE RESEARCH

As mentioned earlier, the simplistic categorization of the demographic and socioeconomic variables may not have reflected a proper picture of the unemployment situation. Indeed, the mechanism of how unemployment influences one's psychological well-being tends to be much more complex than it is conceptualized in this paper and in most of the existing literature. Many important factors were usually overlooked in the analysis. For future empirical research a more comprehensive analytic framework is proposed here (see Figure 1). Variables incorporated in this model as determinants of one's psychological well-being are duration of unemployment, one's history of unemployment, value and meaning of work (i.e., the importance of gainful employment as a component of one's self concept), social support system, one's aspiration and financial resources (including personal savings from the past, unemployment compensation, and financial contribution and assistance from other family members or friends). It is important that the psychological impact of one's unemployment experience be analyzed in the context of these relevant variables and not in isolation.

Demographic and socioeconomic status, as exogenous variables, tend to influence one's history and duration of unemployment, the value and meaning of work to the individual and one's social support system. Both the first and second-level variables will then influence one's aspiration and one's financial resources. A reconciliation of resources and aspiration theories is made in this framework. It is believed that both resources and aspiration, together with the socioeconomic characteristics, ultimately determine the psychological well-being of the unemployed.

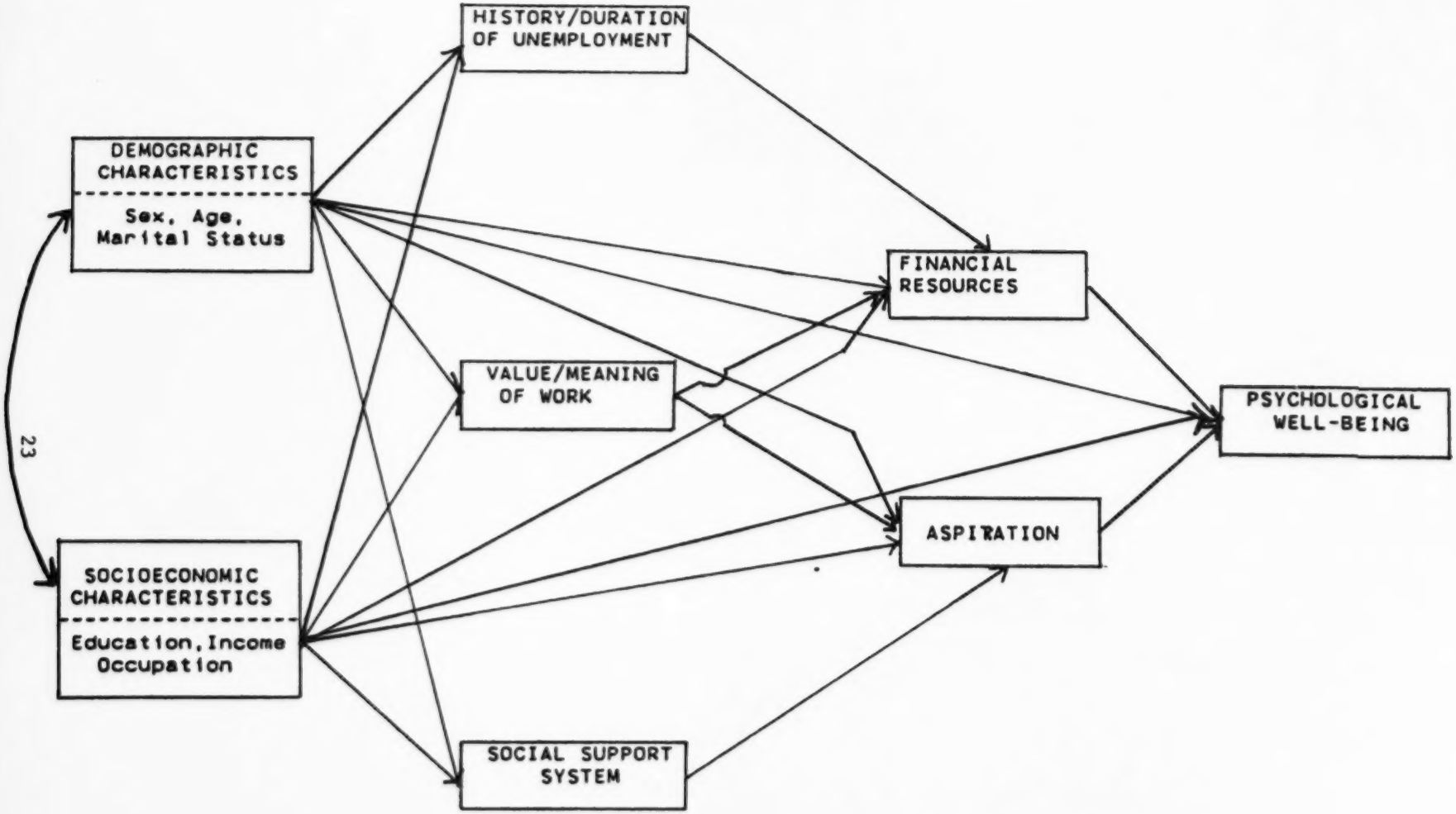


Figure 1. Proposed Conceptual Framework For The Impact Of Unemployment On One's Psychological Well-bei

The cross-sectional data used in the present study refrain us from distinguishing the immediate effects of unemployment from its long-term effects. As well, we were constrained in examining the causal link between employment status and psychological well-being. It may well be that these two variables reinforce each other. Future research should develop a dynamic model whereby the experience of unemployment is allowed to be influenced by previous unemployment experience(s). For an in-depth investigation of such nature, longitudinal data will be most useful. Further systematic research is called for to fill in the gaps of our current knowledge on psychological impact of unemployment.

ACKNOWLEDGEMENT

This project was funded by Alberta Manpower with a STEP grant to Professor P. Krishnan. The 1983 EAS data were supplied by the Population Research Laboratory of the Sociology Department at the University of Alberta. The authors are grateful to Dr. L. Kennedy for giving access to the EAS data and to Dr. J. Gartrell and Dr. H. Krahn for their helpful comments on an earlier draft. The assistance of Koh Peck Hoon and Ruth Hsu in conducting the 1984 survey is greatly appreciated.

## ENDNOTES

1 Seasonally adjusted unemployment rates for Canada: Aug.,1983:11.8; Aug., 1984: 11.2; Aug., 1985:10.3, and Jan., 1986:9.8 (Source: Monthly Labor Force 1983-86).

2 The Economic Council of Canada forecasts an unemployment rate of 8.5 to 10.7 until 1987; and the Ontario Economic Council predicts an average national unemployment rate of nearly 7.5 until 1995.

3 Empirical research includes the impact of unemployment on health (Jaco, 1960; Brenner, 1979), on the psychological well-being of the unemployed (Eisenberg and Lazarsfeld, 1938; Harrison, 1976; Daniel, 1981; Krahn, 1984), on crime rates (Cohen, 1980; Stevens and Willis, 1979), on family stability (Daniel, 1981; Thornes and Collard, 1979) and on suicide rates (Sainsbury, 1955; Harris, 1984; Boor, 1980).

4 Annual average of the unemployment rates for Edmonton in selected years between 1975 and 1985: 1975 - 4.0; 1979 - 3.7; 1981 - 4.1; 1982 - 8.0; 1983 - 12.1; 1984 - 14.0; 1985 - 12.2; February, 1986 - 11.1 (seasonally adjusted rated).

5 Estimated net inter-provincial migration in Alberta (% change) between 1976 and 1984 - 1976: 38,345(-); 1977: 37,670(-1.76); 1978: 40,140(6.56%); 1979: 43,890(14.32%); 1980: 50,080(9.13%); 1981: 41,745(-16.64%); 1982: 9,200(-77.96%); 1983: 35,300(-483.70%); 1984: -41,300(-17.00%) [Source: Alberta Quarterly Population Growth, 1st Quarter, 1982 and 2nd Quarter, 1985].

6 This survey was funded by Alberta Manpower and was conducted by P. Krishnan with the assistance of W. Jean Yeung, Department of Sociology, University of Alberta.

7 This is a five-point scale index where the psychological well-being of an individual runs from 1: "in a very poor condition" to 5: "in a very good condition" (standardized ALPHA = .78). When the index was constructed, item 5, 7, 8 and 9 were recoded to make the direction of these measures consistent with the rest of the items.

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